



## Management Support Unit (MSU)



### Information Sheet 13: Ethical Decision Making

#### Introduction

This information sheet explores some of the ethical issues that Board Members and staff may encounter. Suggestions for developing 'ethical intelligence' (i.e. managing tricky issues with an ethical dimension) are outlined. Clearly, there is a strong relationship between ethical considerations and the legal obligations that Board members and managers have in relation to governance, due diligence and responsibilities to stakeholders, particularly service users / consumers.

People in non-government organisations (NGOs there after) often confront situations that require sound ethical decision making ability. Boards have a general responsibility to develop 'ethical intelligence' within their organisations and to demonstrate and live the values, mission and purpose of the organisation. Similarly, managers and staff are confronted by a range of issues from the very serious and challenging (e.g. identification of fraud) to the more day to day issues such as recruitment processes (EEO) and client confidentiality.

Some suggest that it is not the 'outcome' (i.e. 'doing good' for people) that makes an organisation 'ethical', but its ways of working and its internal culture. An 'ethical' organisation has a clear set of values and principles that guide the way that everyone goes about their work in the organisation. From this perspective, ethical organisations:

- Make decisions and implement policies that consider the effects on all stakeholder needs, seek out the best possible solution for all concerned and aim to enhance the common good.
- Work in transparent accountable ways, which incorporate their principles in their actions and ensure that their performance can be audited so that others can see if they operate fairly.
- Encourage and support diversity of opinion, debate and criticism.
- Work in the best interests of their clients, designing services to the needs of clients, rather than vice versa.
- Operate with a culture of fair action<sup>1</sup>.

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<sup>1</sup> Based on presentation by Eva Cox, UTS Faculty of Humanities and Social Sciences, 2002

## **A Model for Ethical Decision Making**

For NGOs faced with ethical dilemmas, the following framework for ethical decision making<sup>2</sup> is a useful method for exploring and identifying an appropriate course of action.

### **1. Stop and Think**

- Stop the momentum of events long enough to permit calm analysis
- Wise decisions require freedom from pressure and an alertness of mind
- Is it an ethical issue, not a legal or technical decision, complaint or performance issue?
- Is this my/our decision?

### **2. Review**

- Ensure full and relevant information on the matter
- Consider the organisations and personal values and assumptions
- What ethical guidelines are relevant to this situation?
- What is the key ethical issue?

### **3. Make a list of options**

- Make a list of options and set actions
- What are the most important principles, and what are the risk/benefits if these principles are acted upon?

### **4. Consultation**

- Consult with colleagues, supervisors and others
- Look for similar cases where a reasonable precedent has been established

### **5. Choose course of action**

- What course of action will produce the most good and the least harm?
- Which option respects the rights and dignity of all stakeholders (fair treatment)?
- Ask a series of basic or everyday questions:
  - *Will I feel the same about this situation if I think about it for a little longer?*
  - *What should you do if everyone would know?*
  - *Am I comfortable about this decision?*
  - *Would I be happy for this decision to be on the public record or my actions to be open to public scrutiny?*
  - *Would I be happy if my family knew what I had done?*
  - *What would happen if everybody did this?*

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<sup>2</sup> Based on work by St James Ethics Centre, [www.ethics.org.au](http://www.ethics.org.au)

- *How would I feel if my actions were to impact on my child, my partner or my parents?*
- *How would I like it if someone did this to me?*
- *What would the proposed cause of action do to my character and the reputation of my organisation?*
- *Have I considered the possibility that the ends may not justify the means?*

## **6. Implement decision**

## **7. Evaluate decision**

- Did the decision address the needs and concerns of all stakeholders?
- If it happened again, would you do anything differently?

This series of questions can be summarised further into a short worksheet to explore the ethical nature of the issue (see Box 1 below).

### **Box 1 : A practical approach to ethics: an ethical decision making worksheet.**

*Clearly state the problem/conflict (Is it ethical, legal, professional problem? If a legal question exists, seek legal advice.)*

*Make a list of options and set actions you might do to solve the problem/conflict.*

*Based on your evaluation of alternatives select the course of action that will produce the most good and the least harm.*

*Create a detailed, step-by-step plan for implementing the solution you choose, including how you would evaluate your decision. How did the decision turn out for all concerned?*

## **Further considerations**

There are a number of other considerations that can support a 'whole of organisation approach' to developing an ethical NGO:

- Induction: Board and staff induction procedures should always include discussion of the ethical principles of the organisation. These are informed by the organisations values and translate into policies and practices.

- Codes of Conduct: Some NGOs have Code of Conduct Committees whose explicit role is to monitor adherence to the Code. This may include reviewing and providing advice on the application of a Code and recommending action to promote it. Similarly, many organisations have developed “Whistleblower” policies to enable people to confidentially raise concerns about policy or practice.
- Auditing: A number of tools exist for conducting ethical audits as part of regular governance and / or performance reviews,
  1. to guard against self interest,
  2. to ensure services remain user centred, and
  3. to foster ethical interpersonal behavior.

### Other Resources

The St James Ethics Centre is a registered charity and a public benevolent institution which offers an ethical counseling service. *Ethi-Call* is available Australia-wide to anyone experiencing concern regarding an ethical dilemma. The service is free, confidential and anonymous: 1800 672 303, or visit [www.ethics.org.au](http://www.ethics.org.au) for further information.

#### Relevant resources available from the Management Support Unit (MSU)

- **MSU Information Sheet No 2** Board Code of Conduct
- **MSU Information Sheet No 3** Roles and Responsibilities of office bearers and general members of Boards of Management of Incorporated Associations
- **MSU Information Sheet No 4** A Code of Conduct for Executive Officers of Voluntary Organisations
- **MSU Information Sheet No 6** Ensuring a productive relationship between Board Members and the Executive Officer
- **MSU Information Sheet No 7** Qualities for Good Leadership
- **MSU Information Sheet No 12** Board Performance, Monitoring and Adopting Standards
- **MSU Information Sheet No 14** Managing Conflicts of Interest

If you have any suggestions about how this information sheet can be improved for the benefit of NGOs please contact the NCOSS Management Support Unit at [msu@ncoss.org.au](mailto:msu@ncoss.org.au).

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**NCOSS Management Support Unit (MSU)**

66 Albion St, Surr y Hills NSW 2010

Phone: 02 9211 2599 ext 127 fax 02 92811968

email: [msu@ncoss.org.au](mailto:msu@ncoss.org.au) web: [www.ncoss.org.au/msu](http://www.ncoss.org.au/msu)